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No. 91-588

Supreme Court, U.S.

FILED

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In The
Supreme Court of the United States
October Term, 1991

ANDERS E. TRELL,

Petitioner,

v.

SENTEX SYSTEMS, INC., and WILLIAM R. DAVIS,

Respondents.

**Petition For A Writ Of Certiorari To The United
States Court Of Appeals For The Federal Circuit**

PETITIONER'S REPLY BRIEF

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TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| INTRODUCTION..... | 1 |
| PETITIONER'S RESPONSES TO RESPON- DENTS' ARGUMENTS FOR DENYING THE WRIT | 2 |
| 1(a) Petitioner is not required to base the Petition on the District Court's finding of fact and conclusions of law. Petitioner did not discuss Respondents' "Order [Proposed] Granting Defendants' Renewed Motion For Summary Judgment Of Invalidity Of Patent Claims 4 And 9" because it does not contain the Dis- trict Court's actual bases for concluding that claims 4 and 9 of patent 3,947,641 are invalid. The District Court's bases are contained in its "Memorandum Of Decision And Order" | 2 |
| 1(b) Plaintiff's (Petitioner's) counsel was not af- forded the opportunity to object to the con- tents of the Findings Of Fact And Conclusions Of Law prepared by Defendants' (Respondents') counsel..... | 4 |
| 2. Petitioner (Plaintiff) clearly raised before the Court Of Appeals For The Federal Cir- cuit, the issue that Defendants (Respon- dents) had failed to carry their burden of establishing that there was no genuine issue as to any material fact | 5 |
| MISSTATEMENTS OF FACT IN RESPON- DENTS' BRIEF IN OPPOSITION | 6 |
| CONCLUSION | 8 |

TABLE OF AUTHORITIES

Cases

| | <u>Page</u> |
|---|-------------|
| <i>Anderson v. City Of Bessemer</i> , N.C. 470 U.S. 564, 572 (1985) | 5 |
| <i>Purer & Co. v. Akliebologet Addo</i> , 410 F.2d 871, 876 (9th Cir. 1969) <i>cert. denied</i> , 396 U.S. 834 (1969) | 5 |
| <i>In re Winslow</i> , 365 F.2d 1017 (CCPA 1966) | 3 |

Statutes

| | |
|--|---|
| United States Code, Title 35, Section 102(a) | 6 |
| United States Code, Title 35, Section 102(b) | 6 |
| United States Code, Title 35, Section 102(e) | 6 |

Rules

| | |
|--|---|
| Supreme Court Rule 10.1(a) | 2 |
| Supreme Court Rule 15.1 | 1 |
| Supreme Court Rule 15.6 | 1 |
| Local Rules of Practice D.C. California 14.3 | 5 |
| Local Rules of Practice D.C. California 14.6 | 4 |
| Federal Circuit Rule 36 | 2 |
| Federal Rules of Evidence, Rule 103 | 5 |

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PETITIONER'S REPLY BRIEF

INTRODUCTION

As required by Rule 15.6, the following statements of Petitioner are limited to the arguments first raised in "Respondents' Brief In Opposition" as their reasons for denying the Writ, and to misstatements of fact contained in Respondents' Brief as referred to in Rule 15.1.

PETITIONER'S RESPONSES TO RESPONDENTS' ARGUMENTS FOR DENYING THE WRIT

Respondents' Reason No. 1 (First Part)

Petitioner has failed to base his Petition on the District Court's findings of fact and conclusions of law as required.

Petitioner's Response

- 1(a). Petitioner is not required to base the Petition on the District Court's finding of fact and conclusions of law. Petitioner did not discuss Respondents' "Order [Proposed] Granting Defendants' Renewed Motion For Summary Judgment Of Invalidity Of Patent Claims 4 And 9" because it does not contain the District Court's actual bases for concluding that claims 4 and 9 of patent 3,947,641 are invalid. The District Court's bases are contained in its 'Memorandum Of Decision And Order'".

The basis for the subject Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit is in accordance with Supreme Court Rule 10.1(a), i.e., that The United States Court of Appeals For The Federal Circuit has sanctioned (by affirming without opinion pursuant to Fed.Cir.R.36) a summary judgment of patent claim invalidity by the United States District Court for the Central District Of California, which summary judgment proceedings so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision.

The aforesaid summary judgment proceedings included several actions of the District Court which call for an exercise of the aforesaid power of supervision, the princi-

pal one of which is the District Court's "Memorandum Of Decision And Order" which contained the actual bases for the Judgment that claims 4 and 9 of patent 3,947,641 are invalid.

Thus, as briefly mentioned on pages 26 and 27 of Petitioner's "Opening Brief", the District Court relied on the so-called "*Winslow* analogy" from *In re Winslow*, 365 F.2d 1017 (CCPA 1966) as its basis for concluding that claim 9 is invalid, and there is no evidence to support such a holding.

At the end of the hearing on Defendants (Respondents') "Renewed Motion For Summary Judgment", the District Court instructed Defendants' (Respondents') counsel to redraft his proposed findings of facts and conclusions of law in accordance with the Court's memorandum of decision and order (P.A. A-1).*

Defendants' (Respondents') counsel recognized that there is no evidence to support the applicability of the aforesaid *Winslow* analogy and that the District Court's Memorandum Of Decision And Order was significantly deficient in other respects.

Accordingly, when preparing the aforesaid "Order [Proposed] Granting Defendants' Renewed Motion For Summary Judgment Of Invalidity Of Patent Claims 4 and 9", Defendants' counsel ignored the District Court's instruction, omitted any reference to the *Winslow* analogy, and added eleven (11) new and different findings of fact and seven (7) new and different conclusions of law.

These additions and the reasons why Defendants' (Respondents') counsel thought it was necessary to include them are stated in a letter of September 10, 1990, which Defendants' (Respondents') counsel addressed to the

*The letters "P.A." refer to Petitioner's Appendix attached hereto.

District Court's deputy clerk several days *after* he had lodged the aforesaid proposed "Order" (P.A. A-3).

It is not known whether the District Court received the letter addressed to its deputy clerk, and if it did, whether the letter was read prior to the signing of the aforesaid "Order" on September 17, 1990.

In any event, as mentioned above, the District Court's Memorandum Of Decision And Order contained the Court's actual bases for concluding that claims 4 and 9 are invalid.

Respondents' Reason No. 1 (Second Part)

Petitioner failed to object to any perceived inadequacies in the Findings Of Fact And Conclusions Of Law before they were adopted by the District Court.

Petitioner's Response

- 1(b). Plaintiff's (Petitioner's) counsel was not afforded the opportunity to object to the contents of the Findings Of Fact And Conclusions Of Law prepared by Defendants' (Respondents') counsel.

The Local Rules of Practice for the United States District Court, Central District Of California, provide that opposing counsel can file and serve objections to only the *form* of the findings of fact and conclusions of law; not to the contents thereof. Thus, Local Rule 14.6 states as follows (P.A. A-6):

"14.6 SEPARATE OBJECTION — Opposing counsel may, within five (5) court days after service of a copy of a document prepared pursuant to Local Rules 14.1, 14.3 or 14.4, filed and serve objections to

the form of the document and the grounds thereof. The failure to file timely objections shall be deemed a waiver of any defects in the form of the document."

Local Rule 14.3 pertains to findings of fact and conclusions of law.

In some cases . . . as in *Anderson v. City of Bessemer City*, N.C. 470 U.S. 564, 572 (1985) cited by Respondents . . . the opposing party was provided and availed itself of the opportunity to respond at length to the proposed findings.

No such opportunity was made available to Plaintiff (Petitioner) in the case at bench.

Federal Rules of Evidence, Rule 103, and *Purer & Co. v. Akliebologet Addo*, 410 F.2d 871, 876 (9th Cir. 1969) *cert. denied*, 396 U.S. 834 (1969), are totally inapposite to the issue which Respondents have raised.

Respondents' Reason No. 2

Petitioner failed to raise before the Federal Circuit the issue of whether Respondents failed to carry their burden of proof showing that there is no genuine issue of any material fact.

Petitioner's Response

2. **Petitioner (Plaintiff) clearly raised before the Court Of Appeals For The Federal Circuit, the issue that Defendants (Respondents) had failed to carry their burden of establishing that there was no genuine issue as to any material fact.**

Petitioner (Plaintiff) raised this issue in arguments numbers 3 and 4 in its "Revised Brief For Appellant, Anders E. Trell" (P.A. A-7).

MISSTATEMENTS OF FACT IN RESPONDENTS' BRIEF IN OPPOSITION

Page 9

"Even now, the Petition itself is barren of any material fact which is in genuine dispute."

Page 10

"A third Witness, Mr. Janess, who did the detailed design work on the system, attested to the fact that the Marlee unit shown at the trade show was capable of operating in combination with the public telephone network, as attested to by Ahlstrom and Margolis."

Page 11

"Moreover, Mr. Janess fully described the components of the Marlee system, and attested to the fact it was capable of operating with the public telephone network."

Page 11

"Mr. Margolis additionally affirmed that he himself programmed the unit with the telephone number of the 'public subscriber' telephone in the booth, which the booth's visitors called during the demonstrations."

Page 11

"Moreover, the prior art *Identifone* system, which also used the public telephone network, is prior art because it was also known and used (35 U.S.C. 102(a)), on sale (35 U.S.C. 102(b)), and described in a patent application filed before Petitioner's claimed invention date (35 U.S.C. 102(e))."

Page 12

"Even if there had never been a sale of the Leshner system, that U.S. Patent was prior art under 35 U.S.C. 102(e)."

Page 13

"Mr. Leshner's system was described in a patent granted on an application he filed on December 27, 1972; well before Petitioner's claimed invention date of June 7, 1973."

Page 14

"No witness with any pertinent technical skill testified in the District Court proceeding as to the alleged validity of the combination recited by Claims 4 and 9."

Page 14

"The declaration from Petitioner's so-called patent expert as to technical matters or as to 'obviousness' had no foundation, and was speculative, conclusionary and inadmissible. He is a patent attorney. His declarations fail to show any skill or experience in the relevant art, which the District Court held to be 'electrical and electromechanical security systems'. (R.A. 4a, ¶ 9). If his declaration as to 'obviousness' was offered as a 'patent expert', it remains irrelevant and without foundation since it was not based upon the testimony of one skilled in the art."

Page 15

"Moreover, the record establishes that the Swedish licensee did not know of the prior art before the District Court when the license agreement was entered into."

Page 15

"Similarly, the two U.S. licenses were found irrelevant by the District Court."

Page 16

"Petitioner produced *no competent witnesses*."

Page 17

"Petitioner, in fact, consistently refused to give written assurance that Respondents would not be sued for infringement of Claim 4."

CONCLUSION

Because the arguments of Respondents do not defeat or overcome the reasons stated for granting the Writ, this Court is respectfully urged to issue an Order granting the requested Petition For A Writ Of Certiorari.

Respectfully submitted,

Charles E. Wills
Counsel For Petitioner

Dated: November 14, 1991

INDEX OF PETITIONER'S APPENDIX

| | <u>Page</u> |
|--|-------------|
| Hearing on Defendants' Motion For Summary Judgment Of Invalidity Of Claims 4 And 9, August 20, 1990 | A-1 |
| Letter of September 10, 1990, from Defendants' attorneys to Deputy Clerk re Findings of Fact and Conclusions of Law | A-3 |
| Rule 14.6 of the Local Rules of the United States District Court for the Central District of California | A-6 |
| Arguments 3 and 4 in Revised Brief For Appellant, Anders E. Trell, before the Court of Appeals for the Federal Circuit | A-7 |



United States District Court
Central District of California
Los Angeles, California

| | | |
|------------------------------|---|-----------------|
| ANDERS E. TRELL |) | Docket No. |
| <i>Plaintiff</i> |) | CV-89-3355-DT |
| |) | |
| vs. |) | |
| |) | Los Angeles, CA |
| SENTEX SYSTEMS, INC., et al. |) | August 20, 1990 |
| <i>Defendant</i> |) | 1:50 p.m. |
| |) | |

MOTION FOR SUMMARY JUDGMENT OF
INVALIDITY OF CLAIMS 4 & 9

THE HONORABLE DICKRAN TEVRIZIAN,
PRESIDING UNITED STATES
DISTRICT COURT JUDGE

| | |
|---------------------|----------------------------|
| COURT RECORDER: | TRANSCRIPTION BY: |
| ELKE RAY | NORTHWEST |
| U.S. District Court | TRANSCRIPTS, INC. |
| | California Division |
| | P.O. Box 2390 |
| | Monrovia, California 91017 |
| | (818) 574-1075 |

Proceedings recorded by electronic sound recording,
transcript produced by transcription service.

Now, I'm going to give counsel back — that's Mr. Seldon — back his proposed order granting summary judgment, as well as the proposed statement of facts and conclusions of law, so that you can redraft them in accordance with the Court's memorandum of decision and order. And I also need a summary judgment prepared — judgment and an order.

All right. I'm sure this matter's going to go to the federal circuit again and so as soon as possible, I'd like to get that from you.

MR. SELDON: Yes, sir, within the week.

MR. WILLS: Thank you.

MR. SELDON: Okay, thank you, Your Honor.

THE COURT: Uh-uh.

PROCEEDINGS CONCLUDED AT 2:12 P.M.

(Court is Adjourned)

* * * * *

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September 10, 1990

Ms. Minna Neumaier
Deputy Clerk
U.S. Courthouse
312 N. Spring St.
Los Angeles, CA 90012

Via Messenger

Ref: Trell v. Sentex Systems, et. al
Case No. 89-3355-DT(Kx)

Dear Ms. Neumaier:

I recently filed Defendants' Findings of Fact and Conclusions of Law, and Defendants' proposed order awarding summary judgment of invalidity of Claims 4 and 9 of the Trell patent. Judge Tevrizian asked me to amend the initially filed documents at the conclusion of the hearing on August 20, 1990.

In the course of amending the documents, I included a few undisputed findings of fact and conclusions of law which were not explicitly stated in the memorandum, but which are believed to be implicit.

The purpose of this letter is to briefly identify these findings of fact and conclusions of law for you, to insure that my draft conforms with the Court's expectations. Specifically, Finding Nos. 40-43 are

directed to the differences between the device recited by Claim 9 and the prior art devices of record. Although the Court's memorandum appears to recognize and discuss the differences, no specific sentences such as those contained in these Findings are in the memorandum.

In addition, Finding Nos. 40-43 positively state that the prior art systems were publicly known, in use and "on sale" in the United States prior to Trell's invention date.

Similarly, Finding Nos. 44-45 positively recite the uncontradicted facts set forth in Defendants' Memorandum of Points and Authorities.

Finding Nos. 46-50 have been included because of the patent statute's requirement that the invention be obvious to one of ordinary skill in the art. Although it is clear in the Court's memorandum that it relied on the Declarations of Messrs. Janess, Ahlstrom and Leshner, no specific sentence describes these gentlemen as having the requisite level of skill.

Turning to the Conclusions of Law, Conclusion No. 74 has been added as well as Conclusion Nos. 78-82. Again, these matters were contained in Defendants' Reply memorandum and were not disputed by Plaintiff.

Conclusion No. 85 is merely the ultimate conclusion of law. This conclusion varies slightly from the Court's language used on page 24, lines 6-13 of the Memorandum of Decision and Order. In the Memorandum, the Court indicated that an inventor with ordinary skill in the art *when confronted with the problem of trying to add a direct access feature to the Entraguard or Identifone systems* would see the obviousness of combining the direct access feature of

the Pacific Telephone system with the *Entraguard* or *Identifone* systems. Conclusion No. 85 makes it clear that a person of ordinary skill in the art having knowledge of the Pacific Telephone system and the *Identifone* and/or *Entraguard* systems, would have found the invention recited by Claim 9 obvious; in other words, both the *concept* and the *implementation* of adding the direct access feature would also have been obvious. The Court's language at page 24 might be interpreted as meaning that the *implementation* was obvious once the concept was arrived at.

I believe that the slight differences in language and the explicit recitation of certain factual and legal matters are all consistent with the Court's analysis and within the scope of its memorandum; however, I want to insure that you understand that the language does not track the memorandum word for word.

Sincerely yours,

ASHEN MARTIN SELDON
LIPPMAN & SCILLIERI

/s/ ROBERT A. SELDON
Robert A. Seldon

RAS:set

cc: Mr. Charles E. Wills

UNITED STATES DISTRICT COURT
FOR THE
CENTRAL DISTRICT OF CALIFORNIA

Effective October 1, 1983; as amended
through May 28, 1991

14.6. Separate objection. Opposing counsel may, within five (5) court days after service of a copy of a document prepared pursuant to Local Rules 14.1, 14.3 or 14.4, file and serve objections to the form of the document and the grounds thereof. The failure to file timely objections shall be deemed a waiver of any defects in the form of the document. [Amended by General Order 275, filed 1-10-86, retroactive to 9-6-85.]

14.7. Endorsement of counsel. Unless the Court otherwise directs, no document governed by Local Rule 14 will be signed by the judge unless either opposing counsel shall have endorsed thereon an approval as to form, or the time for objection has expired. If it finds the ends of justice so require, the Court may conduct a hearing on the proper form of the document, or it may sign the document as prepared or as modified.

**REVISED BRIEF FOR APPELLANT,
ANDERS E. TRELL**

**UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT**

NO. 91-1068

**ANDERS E. TRELL,
*Plaintiff-Appellant,***

VS.

**SENTEX SYSTEMS, INC., and
WILLIAM R. DAVIS,
*Defendants-Appellees.***

Appeal From The United States District Court For The
Central District Of California, No. CV 89-3355, The Hon-
orable Dickran Tevrizian, United States District Judge.

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Attorney for Plaintiff-Appellant**

3. **Summary Judgment is precluded where there are genuine issues as to material facts. The movant bears the burden of demonstrating the absence of all genuine issues of material fact, and the district court must view the evidence in a light most favorable to the nonmoving party and draw all reasonable inferences in its favor.**
-

The burden on the moving party as stated above is enunciated in *Hodosh v. Block Drug Co., Inc.* 786 F.2d 1136, 1141 (Fed.Cir. 1986).

Fed.R.Civ.P. 56(e) further requires:

“Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts *as would be admissible in evidence*, and shall show affirmatively that the affiant is competent to testify to the matters stated therein” (Emphasis added.).

The genuine issues of material fact which existed regarding Defendants’ renewed motion for summary judgment included:

- (1) The constructions of the Entraguard and Identifone apparatus, and whether either had been satisfactorily used (or was capable of being used) in combination with a public automatic subscriber telephone network prior to Trell’s critical dates of June 3 and June 7, 1973,

- (2) The construction and operation of the so-called Pacific Telephone system prior to the aforesaid Trell critical dates,

- (3) What in the prior art teaches or suggests the “combining” of the so-called Pacific Telephone system with either the Entraguard or the Identifone system, and

(4) How the teachings of the Pacific Telephone system could be "combined" with either the Entraguard or the Identifone to "achieve" the subject matter of claim 9.

None of Messrs. Leshner, Margolis, Janess and Ahlstrom attended the hearing on Defendants' renewed motion for summary judgment to be cross-examined by Plaintiff's attorney, and therefore the District Court was prohibited by Local Rule 7.5.4 from relying on any statements in their declarations.

Because none of Messrs. Leshner, Margolis, Janess and Ahlstrom had been qualified as a patent expert, none was capable of providing an "opinion" as to whether the Entraguard or the Identifone apparatus embodied all of the features or means of claim 4, nor could any of them use the "hearsay" statements of Hector Ruiz regarding the purported construction of the Pacific Telephone system and provide an "opinion" as to the obviousness of "combining" the Pacific Telephone system with either the Entraguard or the Identifone. In short, Defendants *totally* failed to demonstrate the absence of all genuine issues of material fact.

4. If a showing is made that would entitle the movement to judgment unless contradicted, the nonmovant has the burden to show that such a contradiction is possible. However, no defense to an insufficient showing is required.
-

In *Harper v. Wallingford*, 877 F.2d 728, 731 (9 Cir. 1989), cited and relied upon by the District Court in its Memorandum Of Decision, the Circuit Court stated:

"The moving party has the burden of demonstrating the absence of a genuine issue of fact for trial. [case] If the moving party satisfies this burden, the opponent must set forth specific facts showing that

there remains a genuine issue for trial. FRCP 56(e). *However, no defense to an insufficient showing is required*" (Emphasis added.).

In *Cable Elec. Products, Inc. v. Genmark, Inc.*, 770 F.2d 1015, 1022 (Fed.Cir. 1985), also cited and relied upon by the District Court in its Memorandum Of Decision, the Circuit Court stated:

"If a showing is made that would entitle the movant to judgment unless contradicted, then Fed.R.Cir.P. 56(e) states that the nonmovant has the burden to show that such a contradiction is possible; it cannot rest upon its allegations and pleadings.

* * * * *

"Here, once Genmark (the moving party) had established its prima facie case for summary judgment, *which would have included a prima facie case for overcoming the presumption of validity*, it fell upon Cable to submit evidence setting forth specific facts raising a genuine issue for trial" (Emphasis added.).

As pointed out above, the defendants totally failed to make a "showing" which would entitle them to judgment.

There was no admissible evidence as to the constructions of the Entraguard and Identifone apparatus, and no showing as to whether either had operated (or was capable of operating) in combination with a public automatic subscriber telephone network prior to Trell's critical dates. Also, there was no admissible evidence regarding the "obviousness" of combining the Pacific Telephone system with either the Entraguard or the Identifone apparatus.

On the other hand, the declaration of Plaintiff's patent expert, Walton E. Tinsley, contains the reasons for his opinion that it would not have been obvious to add a direct access feature to either the Entraguard or the Identifone apparatus, and that the Entraguard apparatus could have operated at the Miami show in the manner described by Messrs. Margolis and Ahlstrom by a direct connection or dedicated line, without utilizing the Miami telephone system.